

STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



INDIANA GOVERNMENT CENTER NORTH
100 NORTH SENATE AVENUE N1058
INDIANAPOLIS, IN 46204
PHONE (317) 232-3777
FAX (317) 974-1629

TO: School Corporations

FROM: Courtney Schaafsma, Budget Division Director *CLS*

RE: School Bus Replacement Fund and Capital Projects Fund Notices and Plan – Frequently Asked Questions

DATE: July 30, 2013

On July 9, 2013, the Department of Local Government Finance (“Department”) released the 2014 plan and notice templates for the School Bus Replacement Fund and the Capital Projects Fund (“CPF”). Since the release of these memos, the Department has received a number of questions on these templates. The purpose of this memo is to address the frequently asked questions we have been receiving in order to provide consistent answers to all school corporations.

At the time the July 9, 2013, memo was released, I already had prepared my CPF or Bus Replacement Notices. Do I need to redo the notices to use the new templates?

Due to the timing of the release of the memos, the Department will allow school corporations to use either the old format or the new format of the templates for 2014. Whichever version your school corporation uses, please ensure that you correctly complete and advertise the notice.

The notices include a Projected January 1 Cash Balance. Which January 1 is this supposed to be?

Projected January 1 Cash Balance should be for January 1, 2014.

The notices include Encumbrances Carried Forward from Previous Year. Which encumbrances should these include?

These should be estimated encumbrances from 2013 into 2014.

The notices include Estimated Cash Balance Available for Plan (Line 1 minus Line 2). What is this?

This is a calculation that is done by taking Protected January 1 Cash Balance (Line 1) and subtracting off Encumbrances Carried Forward from Previous Year (Line 2).

Capital Projects Fund

The notice used to include lines for assessed value and tax rate. Those are no longer included on the form. Are they no longer required?

These items are no longer required to be published.

The notice used to include the names of my Board members. Are these no longer required?
The names of your Board members are no longer required. This allows the CPF notices to be more consistent with other budget notices.

The memo says that the property tax revenue listed on the notices will be used as a determining factor in approving the CPF levy. What does this mean?

The Department highlighted the importance of the property tax revenue amounts advertised on the notices because they will form a ceiling in the amount of levy that the Department can approve. This is not a change in Department policy; it is simply a reminder of the importance of advertising a correct levy. Please ensure that you have advertised a levy sufficient to meet your needs.

Bus Replacement Fund

Why did the notice change?

The notice was changed to bring the notice up to date with the current situation of the bus replacement fund having a maximum levy rather than being need driven as in the past. Because of the change to the maximum levy, there was a large amount of information on the old notice that was no longer necessary. In updating the bus replacement notice, we did choose to go with a notice that more closely mimicked the CPF notices. This was done to provide consistency for both the unit and taxpayers and again to hopefully help eliminate possible errors.

The notice used to include a line for future bus purchases. This is no longer there. Why was it removed?

The identification of future bus purchases is no longer required due to the bus replacement fund being under a maximum levy control. Future needs will be included within the overall statutory maximum levy of the fund.

If you have any other questions on the Bus Replacement Fund or CPF notice and plan templates, please contact Courtney Schaafsma, Budget Division Director, at cschaafsma@dlgf.in.gov or (317) 234-3937.